

## Message Text

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PAGE 01 STATE 131965  
ORIGIN L-03

INFO OCT-01 ARA-10 ISO-00 TRSE-00 EB-08 COME-00 OMB-01  
AID-05 /028 R

DRAFTED BY L/ARA:T.FORTUNE:JV  
APPROVED BY L/ARA:M.KOZAK  
ARA/AND/V - W. SERGEANT  
-----102915 241716Z /43  
R 241641Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY CARACAS

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E.O. 11652:N/A

TAGS: EFIN, VE

SUBJECT: VENEZUELAN INCOME TAX ON FOREIGN NATIONALS

REF: CARACAS 04574

1. SUMMARY. ON THE BASIS OF INFORMATION CONVEYED IN REF-  
TEL, IT DOES NOT APPEAR ADVISABLE TO PURSUE WITH VENEZUELA  
THE POSSIBILITY OF CONCLUDING AN INTERIM ARRANGEMENT  
LIMITING THE TAX LIABILITY OF U.S. BUSINESSMEN IN  
VENEZUELA. PREFERABLE COURSE AT THIS TIME APPEARS TO BE  
TO AWAIT VENEZUELAN COMMENTS ON U.S. DRAFT OF FORMAL TAX  
AGREEMENT.

2. CURRENT PROBLEM IS NOT SUFFICIENTLY ACUTE TO WARRANT  
ATTEMPT TO SECURE INTERIM AGREEMENT. EMBASSY HAS RECEIVED  
NO COMPLAINTS AND ALTHOUGH DEPARTMENT HAS HAD TWO CON-  
GRESSIONAL INQUIRIES, PROBLEM DOES NOT APPEAR TO BE WIDE-  
SPREAD. CASES OF MISAPPLICATION OF EXISTING LAW CAN BE  
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DEALT WITH ON CASE-BY-CASE BASIS BY EMBASSY.

3. REFTTEL INDICATES THAT VENEZUELA IS NOT LIKELY TO BE  
RECEPTIVE TO PROPOSAL FOR INTERIM AGREEMENT. FURTHER  
DISADVANTAGE OF SUCH AN APPROACH MAY BE TO CONFUSE PROCESS  
OF NEGOTIATIONS ON FORMAL TREATY AND TO DELAY ITS CONCLU-  
SION.

4. PROSPECTS FOR CONCLUSION OF FORMAL TAX AGREEMENT APPEAR GOOD. ANTICIPATED VENEZUELAN RESPONSE TO U.S. DRAFT BY END OF JUNE IS TIMELY. ALTHOUGH REFTEL INDICATES THAT VENEZUELA MAY PROPOSE CHANGES IN U.S. TEXT, THERE IS NO REASON TO ASSUME AT THIS TIME THAT PROCESS OF NEGOTIATION WILL BE UNDULY PROTRACTED.

5. EMBASSY IS THEREFORE REQUESTED TO FOREGO PROPOSAL FOR INTERIM AGREEMENT AND TO AWAIT VENEZUELAN COMMENTS ON U.S. DRAFT OF BILATERAL TAX AGREEMENT. DEPARTMENT SHOULD BE INFORMED OF SUBSTANCE OF VENEZUELAN COMMENTS WHEN RECEIVED. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUSINESSMEN, TAX LAW, TAX AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE131965  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** T.FORTUNE:JV  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780219-0311  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 CARACAS 4574  
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**Review Event:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2584546  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELAN INCOME TAX ON FOREIGN NATIONALS  
**TAGS:** EFIN, VE, US  
**To:** CARACAS  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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